

**UNITED STATES OF AMERICA
NATIONAL CREDIT UNION ADMINISTRATION
NATIONAL CREDIT UNION ADMINISTRATION BOARD**

IN THE MATTER OF)
)
Jeffrey Eric Fraley and) Docket # 93-0101III
Kentucky Telco Federal)
Credit Union)
)
)

ORDER OF PROHIBITION

Pursuant to Section 206(i)(1) of the Federal Credit Union Act, 12 U.S.C. §1786(i)(1), this Order of Prohibition prohibits you from participating in any manner in the affairs of any federally insured credit union. This Order of Prohibition results from your conviction for activities you engaged in during your affiliation with Kentucky Telco Federal Credit Union. This Order of Prohibition is effective immediately upon service. In accordance with Section 206(g)(7)(A) of the Federal Credit Union Act, 12 U.S.C. §1786(g)(7)(A), this Order shall constitute a prohibition from further participation in any manner in the affairs of any federally insured financial institution, or other entity identified therein, without the written permission of the appropriate federal regulatory agency.

This Order of Prohibition has been issued based upon the following information:

On or about January 8, 1992, you were adjudged guilty of five counts of making false entries on the statements of income of a federally insured credit union and sentenced by the United States District Court for the Western District of Kentucky to a sentence of confinement for five years on each count, to be served concurrently, and ordered to pay restitution of \$1,462,970.73 (see Attachment 1). Because an appeal has not been filed within the time specified by the Federal Rules of Appellate Procedure, your conviction is now final. The offenses of which you were convicted were committed while you were employed by Kentucky Telco Federal Credit Union, and are more fully described in the Notice of Prohibition, dated July 9, 1990, which is attached hereto (Attachment 2) and is incorporated herein by reference. At the time of your criminal actions, Kentucky Telco Federal Credit Union was a federally chartered and insured credit union.

NOTICE OF HEARING

Pursuant to Section 206(i)(3), of the Federal Credit Union Act, 12 U.S.C. §1786(i)(3), you may request in writing, within thirty days of service of this Order, an opportunity for a hearing at which you may present evidence and argument that your continued participation in the affairs of any federally insured credit union would not, or would not be likely to, pose a threat to the interests of that credit union's members or threaten to impair public confidence in the credit union. This hearing will be held in Washington, D.C., in accordance with Subpart D of Part 747 of NCUA's Rules and Regulations, 12 C.F.R. §747.301 *et seq.*

PENALTY FOR VIOLATION OF ORDER OF PROHIBITION

Pursuant to Section 206(k)(2) of the Federal Credit Union Act, 12 U.S.C. §1786(k)(2), any violation of this Order may subject you to a Civil Money Penalty of up to \$1,000,000.00 a day for each day said violation continues. In addition, pursuant to Section 206(l) of the Federal Credit Union Act, 12 U.S.C. §1786(l), any violation of this Order is a felony offense that is punishable by imprisonment of up to five years and a fine

of up to \$1,000,000.00.

Dated this _____ day of January, 1993.

National Credit Union Administration
by

BECKY BAKER
Secretary of the Board

CERTIFICATE OF SERVICE

This is to certify that I have served the foregoing Order of Prohibition in the Matter of Jeffrey Eric Fraley, by depositing the same with the U.S. Postal Service, certified mail, return receipt requested, addressed to Robert Fleming, Esquire, Suite 310, Starks Building, Louisville, Kentucky 40202, the attorney of record for Mr. Fraley.

Date

Jon J. Canerday
Trial Attorney
Office of General Counsel